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SENSITIVE
SIPDIS

DEPT FOR EAP, EAP/MTS, EAP/MLS, EAP/PD, EAP/RSP
S/P (GREG BEHRMAN)
NSC FOR J.BADER

E.O. 12958: N/A

TAGS: [PREL](#) [SOC](#) [KISL](#) [EAID](#) [ID](#) [XF](#)

SUBJECT: INDONESIA -- REALIZING THE PRESIDENT'S CAIRO VISION

REF: A. STATE 71325

- [1](#)B. JAKARTA 1194
- [1](#)C. JAKARTA 1193
- [1](#)D. JAKARTA 1262
- [1](#)E. JAKARTA 1269
- [1](#)F. JAKARTA 1832

[1](#)1. (U) This message is Sensitive but Unclassified. It contains Action Requests in paras 4, 6, 8, 9, 11 and 12.

[1](#)2. (SBU) SUMMARY: We have an opportunity to enhance relations with Indonesia and carry out the President's vision of a "New Beginning" with the Muslim world. President Yudhoyono's administration is committed to advancing our Partnership with Indonesia--the Muslim world's largest democracy. We have already seen success in many key areas such as education, economic development, science and technology, health and interfaith dialogue, but more needs to be done. President Obama will meet with Yudhoyono at the upcoming APEC meetings in Singapore. This would be an ideal time to pledge our commitment to completing initiatives such as the Science and Technology agreement, announcing the return of Peace Corps to Indonesia and pledging our commitment to an interfaith dialogue with Indonesia. END SUMMARY.

THE CAIRO INITIATIVE IN INDONESIA

[1](#)3. (SBU) The President outlined his vision for a "New Beginning" with the Muslim world in his speech in Cairo in June. Mission is engaged in carrying out this vision through many of its key components of the Comprehensive Partnership with Indonesia including:

- Working to conclude a Science and Technology Agreement
- Supporting Technological Innovation
- Initiatives in Education
- Working to return Peace Corps to Indonesia
- Public Diplomacy Outreach - Creating an "American Place"
- Health Partnerships
- Interfaith Dialogue
- Entrepreneurship

SCIENCE AND TECHNOLOGY AGREEMENT

[1](#)4. (SBU) In his June Cairo Speech President Obama underscored the importance of scientific linkages with the Muslim world. The USG and GOI are in the process of negotiating a Science and Technology Agreement that would unlock a broad range of more formal and stable science cooperation. In the most recent round of face-to-face negotiations in September, negotiators identified two remaining areas of contention, language regarding a material transfer

agreement (MTA) and language regarding the protection of Genetic Resources, Traditional Knowledge and Folklore (GRTKF). We have advocated that the MTA language should be deferred to implementing agreements. After an October visit to the U.S. on a DOS Voluntary Visitor program, the main proponent of Indonesia's MTA position has come around to the U.S. view. We have informed DEPLU and other stakeholders that the USG cannot agree to any explicit reference to GRTKF, and this appears to be the final surmountable roadblock to a joint agreement for final C-175 approval.

ACTION REQUEST: Mission requests that Washington commit to a firm date to continue with the next round of negotiations on the Science and Technology Agreement.

SUPPORTING TECHNOLOGICAL INNOVATION

¶5. (SBU) The President also announced that the U.S. would create a new fund to support technological innovation in Muslim-majority countries. In response, the Overseas Private Investment Corporation (OPIC) is launching a Global Technology and Innovation Fund to deliver on that commitment. We are negotiating an update to OPIC's Investment Incentive Agreement with Indonesia. Unfortunately, the GOI's most recent counter draft would render Indonesia ineligible to receive the benefits from this newly created OPIC fund. We are encouraging the GOI to update its Investment agreement in a way that permits Indonesia to benefit from all of OPIC's private financing, insurance and investment fund opportunities. Upon completion of an updated agreement, we will recommend that OPIC choose Indonesia as host of OPIC's 2011 international investment conference.

EDUCATION

¶6. (SBU) Mission continues its efforts to strengthen higher

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education cooperation and actively market U.S. higher education in Indonesia. Education USA has received an infusion of one-time funds which have been used to hire additional educational advising staff and contract with a professional marketing company. A new marketing campaign and revamped website will soon be launched by the Ambassador. The new advising staff will greatly increase recruitment through outreach events in schools, malls, and other locations where we can reach students able to pay for a U.S. education.

ACTION REQUEST: We would request that this funding be continued in out-years to permit a long-term, sustained effort. Mission's overall higher education efforts could benefit from increased funding.

¶7. (SBU) Additional efforts by the Department of Commerce's Foreign Commercial Service (FCS) entail leveraging partnerships with Indonesian recruiters to encourage them to focus more on U.S. higher education institutions. Using DOC funds, FCS will market U.S. institutions to the Indonesian public via relationships established by a Department of Commerce Education Team, which counts many U.S. universities as its clients. FCS will also use webinars and DVCs to hold "virtual" college fairs between Indonesian agents, students, and parents, and U.S. universities.

PEACE CORPS INITIATIVE

¶8. (SBU) Peace Corps is near completion on negotiations to establish a program in Indonesia after a forty-year absence. However, the GOI is reluctant to offer unconditional Administrative and Technical (A&T) status (albeit without immunities) to Peace Corps staff. GOI officials insist that Peace Corps' offices should be integrated within the Embassy and complain that the United States does not grant reciprocal status to equivalent Indonesian entities. The Ambassador has advised the GOI that application of the collocation standard by the GOI endangers prospects for completing an agreement and would have an adverse impact on overall bilateral cooperation. (reftel F) Additional remaining issues include visa fee offsets and definition of the term "family members." The next round of discussions is scheduled for November 9 in Jakarta. The first tranche of Volunteers, expected to be on the ground by the

spring of 2010, would include twelve education specialists.

ACTION REQUEST: Mission requests guidance on whether Peace Corps accepts the GOI's offer of including a housing reimbursement provision in the implementing agreement (not the MOU) to offset visa fees. Assuming accommodation on the remaining issues can be reached on November 9, we also request that the Department respond as quickly as possible to inquiries from Peace Corps to ensure finalization of the agreement in time for it to be announced by President Obama and President Yudhoyono at the bilateral meeting in Singapore.

PUBLIC DIPLOMACY OUTREACH

¶9. (SBU) In response to a request from Under Secretary McHale, Embassy Jakarta developed the concept of an American Place, a high-tech 21st century public diplomacy outreach venue targeting Indonesians aged 18-30. This center will present a tangible, hands-on way to realize the President's Cairo vision in Indonesia. American Place will advance our education goals by providing a venue for young people to learn about the United States and get information about educational exchange opportunities. Social media savvy Indonesians will enjoy American Place's IT infrastructure, allowing them to connect with young Americans. Through public-private partnerships, American companies and organizations will help tell America's story by showcasing American technology, ideas, products, and ideals. By engaging young people on issues that are of interest to them, American Place will offer a venue to exchange ideas and promote a dialogue in the world's most populous Muslim nation.

ACTION REQUEST: Mission has already requested \$4.9 million to cover the design, construction, staffing, and first year of operations of the American Place, and \$570,000 to cover the first year's rent at the commercial mall venue. Mission requests that Washington fund this project in early December 2009, so that American Place can open by April 2010.

HEALTH PARTNERSHIPS

¶10. (SBU) The President announced in his Cairo speech a new global effort with the Organization of the Islamic Conference to eradicate

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polio and to expand partnerships with Muslim communities to promote child and maternal health. To that end, Mission will continue to support the development of Indonesia's own capacity to combat the outbreak and spread of emerging diseases, including through partnerships to enhance locally-conducted joint laboratory and field research. Mission continues to engage in productive discussions with the Ministry of Health (MOH) on the creation of the Indonesia-United States Center for Biomedical and Public Health Research (IUC).

¶11. (SBU) We partner with the GOI and local communities to address the high rates of maternal and child mortality, particularly among the poor and underserved through a comprehensive public health and clinical service approach. The Mission has committed to support the final stages of global polio eradication through surveillance and prevention until the region achieves certified polio free status. An integrated Maternal and Child Health/malaria prevention program in eastern Indonesia leverages limited resources to maximize impact on Maternal and Newborn Health by preventing and treating malaria in pregnant women.

RESOURCE REQUEST: With maternal and child health receiving attention, additional resources would allow us to expand efforts and partner with a wider range of stakeholders (including faith-based organizations and public/private partnerships) in addressing high maternal and neonatal mortality rates, particularly in vulnerable communities. Additional attention would support partnership efforts towards achieving the Millennium Development Goals for health.

INTERFAITH DIALOGUE

¶12. (SBU) In Morocco, the Secretary reiterated the President's

commitment to interfaith dialogue by partnering with Muslim-majority host countries to bring together leaders across faith communities, government, civil society, and the private sector to create actionable plans for addressing common challenges affecting all of our communities. To that end, discussions continue between Mission and the GOI to develop a bilateral interfaith dialogue focusing on building communities through interfaith work as a component of the Comprehensive Partnership. This dialogue is tentatively planned for January 2010.

ACTION REQUEST: Mission requests assistance in the formation of an advisory group. We would recommend the advisory group consist of representatives from Religions for Peace (a NGO), or The Center for Muslim-Christian Understanding at Georgetown University, and Department representatives. This group would select individuals who would comprise the U.S. delegation and provide input on the agenda for the U.S. - Indonesia interfaith event.

ENTREPRENEURSHIP

¶13. (SBU) The President also announced in Cairo plans for a Summit on Entrepreneurship to identify how we can deepen ties between business leaders, foundations and social entrepreneurs in the U.S. and Muslim-majority countries. Indonesia is an emerging economic power with a growing entrepreneurial class. Endeavor, a New York-based NGO that specializes in promoting entrepreneurship in developing economies, is considering Indonesia for its first capacity-building program in Asia. Developing more links between Indonesian and U.S. entrepreneurs would help develop U.S. commercial and investment ties with the largest, and economically one of the fastest growing, Muslim-majority countries in the world.
HUME